

**AMENDED EXPLANATION COVER**

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QUARTERLY STATEMENT

AS OF MARCH 31, 2007  
OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Plan of South Michigan

NAIC Group Code 0000, 3594 NAIC Company Code 52564 Employer's ID Number 38-3311905  
(Current Period) (Prior Period)

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile US

Licensed as business type:

Life Accident and Health [ ] Property/Casualty [ ] Hospital, Medical and Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [X] Is HMO Federally Qualified? Yes ( ) No (X)

Incorporated/Organized April 17, 1996 Commenced Business May 1, 2000

Statutory Home Office One Jackson Square, Jackson, Michigan 49201  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office One Jackson Square, Jackson, Michigan 49201 800-428-7163  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address One Jackson Square, Jackson, Michigan 49201  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records One Jackson Square, Jackson, Michigan 49201  
(Street and Number, City or Town, State and Zip Code)  
800-428-7163  
(Area Code) (Telephone Number)

Internet Website Address PHPCARES.com

Statutory Statement Contact Frank Reilly 832-381-4783  
(Name) (Area Code) (Telephone Number) (Extension)  
freilly@hazengroup.com  
(E-Mail Address) (Fax Number)

Policyowners N/A  
Relations  
Contact and Phone Number  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

- 1. Wynn Hazen# (Interim President)
- 2. Jeanne Wickens (Secretary/Treasurer)
- 3. Wynn Hazen (Interim Chief Financial Officer)

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Brian Adamczyk, MD  
Jan Blair  
Georgia Fojtasek  
K V Rao, MD  
Beth Smith#  
Richard Warren  
Jeanne Wickens  
Phil Miller  
Michael Shore  
Ed Woods

State of Michigan }  
County of Jackson } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Wynn Hazen# Interim President Jeanne Wickens Secretary/Treasurer Wynn Hazen Interim Chief Financial Officer

Subscribed and sworn to before me this 29th day of May, 2007  
a. Is this an original filing? Yes (X) No ( )  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

ASSETS

	Current Statement Date			4  Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds .....	6,237,744		6,237,744	6,542,135
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... (776,411) ), cash equivalents (\$ ..... 9,287,376 ) and short-term investments (\$ ..... 12,323,652 ) .....	20,834,617		20,834,617	19,254,556
6. Contract loans (including \$ ..... premium notes) .....				
7. Other invested assets .....	1,203,830	692,567	511,263	497,911
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Line 1 to Line 9) .....	28,276,191	692,567	27,583,624	26,294,602
11. Title plants less \$ ..... charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	2,335		2,335	116,256
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	3,729,343	170,886	3,558,457	281,443
13.2 Deferred premiums , agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....	(65,000)		(65,000)	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	287,089		287,089	37,860
14.2 Funds held by or deposited with reinsured companies .....				
14.3 Other amounts receivable under reinsurance contracts .....				225,466
15. Amounts receivable relating to uninsured plans .....				
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....				
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....	5,284,455	5,284,455		
19. Furniture and equipment , including health care delivery assets (\$ ..... ) .....	73,092	73,092		
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent , subsidiaries and affiliates .....				14,422
22. Health care (\$ ..... 803,881 ) and other amounts receivable .....	1,076,304	38,944	1,037,360	1,033,459
23. Aggregate write-ins for other than invested assets .....				
24. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	38,663,809	6,259,944	32,403,865	28,003,508
25. From Separate Accounts , Segregated Accounts and Protected Cell Accounts .....				
26. Totals (Line 24 and Line 25) .....	38,663,809	6,259,944	32,403,865	28,003,508
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) .....				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	14,063,273		14,063,273	9,611,874
2. Accrued medical incentive pool and bonus amounts .....	2,612,052		2,612,052	2,555,528
3. Unpaid claims adjustment expenses .....				357,058
4. Aggregate health policy reserves .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	535,230		535,230	3,407
9. General expenses due or accrued .....	2,302,836		2,302,836	858,251
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	31,403		31,403	31,403
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent , subsidiaries and affiliates .....				1,334,411
16. Payable for securities .....				
17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....				
18. Reinsurance in unauthorized companies .....				
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Liability for amounts held under uninsured plans .....				
21. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
22. Total liabilities (Line 1 to Line 21) .....	19,544,794		19,544,794	14,751,932
23. Aggregate write-ins for special surplus funds .....	XXX	XXX		
24. Common capital stock .....	XXX	XXX		
25. Preferred capital stock .....	XXX	XXX		
26. Gross paid in and contributed surplus .....	XXX	XXX	10,888,193	10,888,193
27. Surplus notes .....	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
29. Unassigned funds (surplus) .....	XXX	XXX	1,970,878	2,363,383
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 \$ ..... ) .....	XXX	XXX		
30.2 ..... shares preferred (value included in Line 25 \$ ..... ) .....	XXX	XXX		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30) .....	XXX	XXX	12,859,071	13,251,576
32. Total Liabilities, capital and surplus (Line 22 and Line 31) .....	XXX	XXX	32,403,865	28,003,508
DETAILS OF WRITE-INS				
2101. ....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page .....				
2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above) .....				
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	XXX	XXX		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	XXX	XXX		
2801. ....	XXX	XXX		
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page .....	XXX	XXX		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above) .....	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	57,632	74,335
2. Net premium income (including \$ non-health premium income)	X X X	17,825,177	20,661,024
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	2,649	
7. Aggregate write-ins for other non-health revenues	X X X	336,543	
8. Total revenues (Line 2 to Line 7)	X X X	18,164,369	20,661,024
Hospital and Medical:			
9. Hospital/medical benefits		10,767,316	12,744,861
10. Other professional services		1,536,862	1,819,125
11. Outside referrals			
12. Emergency room and out-of-area		779,799	923,018
13. Prescription drugs		2,402,203	2,558,098
14. Aggregate write-ins for other hospital and medical		(75,015)	(96,062)
15. Incentive pool, withhold adjustments and bonus amounts			600,076
16. Subtotal (Line 9 to Line 15)		15,411,165	18,549,116
Less:			
17. Net reinsurance recoveries		(191,405)	225,430
18. Total hospital and medical (Line 16 minus Line 17)		15,602,570	18,323,686
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ cost containment expenses		147,020	953,859
21. General administrative expenses		3,039,032	1,768,340
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		18,788,622	21,045,885
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	(624,253)	(384,861)
25. Net investment income earned		223,299	298,760
26. Net realized capital gains (losses) less capital gains tax of \$		8,450	(6,349)
27. Net investment gains (losses) (Line 25 plus Line 26)		231,749	292,411
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ (amount charged off \$ )]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	(392,504)	(92,450)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Line 30 minus Line 31)	X X X	(392,504)	(92,450)
DETAILS OF WRITE-INS			
0601. TeleHealth Fees	X X X	2,649	
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X	2,649	
0701. Network rental fees	X X X	(4,061)	
0702. Administrative Service Fees	X X X	340,604	
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X	336,543	
1401. COB & Subrogation savings and recoveries		(75,015)	(96,062)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		(75,015)	(96,062)
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year to Date	Prior Year To Date	Prior Year
33. Capital and surplus prior reporting year .....	13,251,577	17,967,323	17,967,323
34. Net income (loss) from Line 32 .....	(392,505)	(92,450)	351,004
35. Change in valuation basis of aggregate policy and claims reserves .....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		25,655	18,058
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			
39. Change in nonadmitted assets .....		(572,867)	(5,084,808)
40. Change in unauthorized reinsurance .....			
41. Change in treasury stock .....			
42. Change in surplus notes .....			
43. Cumulative effect of changes in accounting principles .....			
44. Capital Changes:			
44.1 Paid in .....			
44.2 Transferred from surplus (Stock Dividend) .....			
44.3 Transferred to surplus .....			
45. Surplus adjustments:			
45.1 Paid in .....			
45.2 Transferred to capital (Stock Dividend) .....			
45.3 Tranferred from capital .....			
46. Dividends to stockholders .....			
47. Aggregate write-ins for gains or (losses) in surplus .....			
48. Net change in capital and surplus (Line 34 to Line 47) .....	(392,505)	(639,662)	(4,715,746)
49. Capital and surplus end of reporting period (Line 33 plus Line 48) .....	12,859,072	17,327,661	13,251,577
DETAILS OF WRITE-INS			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) .....			

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	14,692,657	80,118,728
2. Net investment income	220,964	1,297,114
3. Miscellaneous income	339,192	85,788
4. Total (Line 1 through Line 3)	15,252,813	81,501,630
5. Benefit and loss related payments	11,381,736	76,650,382
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	3,211,464	8,244,443
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line9)	14,593,200	84,894,825
11. Net cash from operations (Line 4 minus Line 10)	659,613	(3,393,195)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		2,842,996
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		1,877,846
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)		4,720,842
13. Cost of investments acquired (long-term only):		
13.1 Bonds		1,272,581
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		650,000
13.6 Miscellaneous applications	13,352	(413,529)
13.7 Total investments acquired (Line 13.1 through Line 13.6)	13,352	1,509,052
14. Net increase or (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(13,352)	3,211,790
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	933,800	(4,407,732)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	933,800	(4,407,732)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	1,580,061	(4,589,137)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	19,254,556	23,843,693
19.2 End of period (Line 18 plus Line 19.1)	20,834,617	19,254,556

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital and Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year .....	21,857	144	21,713							
2. First Quarter .....	18,884	145	18,739							
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	57,632	441	57,191							
Total Member Ambulatory Encounters for Period:										
7. Physician .....	23,741	232	23,509							
8. Non-Physician .....	8,342	82	8,260							
9. Total .....	32,083	314	31,769							
10. Hospital Patient Days Incurred .....	2,405	8	2,397							
11. Number of Inpatient Admissions .....	438	3	435							
12. Health Premiums Written (a) .....	17,825,176	109,352	17,715,824							
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....										
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....										
18. Amount Incurred for Provision of Health Care Services .....	15,411,165		15,411,165							

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....



CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0599999 - Unreported claims and other claim reserves.....						14,063,273
0799999 - Total claims unpaid.....						14,063,273
0899999 - Accrued medical incentive pool and bonus amounts.....						2,612,052

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 plus 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	8,578,200	2,572,969	157,805	13,905,468	8,736,005	9,611,872
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Line 1 to Line 8) .....	8,578,200	2,572,969	157,805	13,905,468	8,736,005	9,611,872
10. Healthcare recievables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....			2,612,052		2,612,052	2,555,528
13. Totals .....	8,578,200	2,572,969	2,769,857	13,905,468	11,348,057	12,167,400

(a) Excludes \$ ..... loans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

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### **Note 1 - Summary of Significant Accounting Policies**

No Significant Change

### **Note 2 - Accounting Changes and Corrections of Errors**

An adjustment will be made to 2006 to reduce the reserve for claims Incurred But Not Reported. This adjustment will increase retained earnings by \$930,000. The adjustment will be booked in the second quarter of 2007.

### **Note 3 - Business Combinations and Goodwill**

No Significant Change

### **Note 4 - Discontinued Operations**

No Significant Change

### **Note 5 - Investments**

No Significant Change

### **Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No Significant Change

### **Note 7 – Investment Income**

No Significant Change

### **Note 8 – Derivative Instruments**

No Significant Change

### **Note 9 - Income Taxes**

No Significant Change

### **Note 10 – Information Concerning Parent, Subsidiaries and Affiliates**

No Significant Change

### **Note 11 – Debt**

No Significant Change

### **Note 12 – Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

No Significant Change

### **Note 13 – Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No Significant Change

### **Note 14 – Contingencies**

No Significant Change

### **Note 15 – Leases**

No Significant Change

### **Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

## NOTES TO FINANCIAL STATEMENTS

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No Significant Change

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

No Significant Change

**Note 18 – Gain or Loss to the Reporting Entity form Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No Significant Change

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

No Significant Change

**Note 20 – September 11 Events**

No Significant Change

**Note 21 – Other Items**

No Significant Change

**Note 22 – Events Subsequent**

No Significant Change

**Note 23 – Reinsurance**

No Significant Change

**Note 24 – Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No Significant Change

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

No Significant Change

**Note 26 – Intercompany Pooling Arrangements**

No Significant Change

**Note 27 – Structured Settlements**

No Significant Change

**Note 28 – Health Care Receivables**

No Significant Change

**Note 29 - Participating Policies**

No Significant Change

**Note 30 – Premium Deficiency Reserves**

No Significant Change

**Note 31 – Anticipated Salvage and Subrogation**

**NOTES TO FINANCIAL STATEMENTS**

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No Significant Change

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ( ) No (X)
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ( ) No ( )
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ( ) No (X)
- 2.2

If yes, date of change:

.....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes (X) No ( )

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ( ) No (X)
- 4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes (X) No ( ) N/A ( )

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2005
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

12/11/2006
- 6.4

By what department or departments?

.....  
Michigan Office of Financial & Insurance Services

- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ( ) No (X)
- 7.2

If yes, give full information

.....  
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ( ) No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

.....  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ( ) No (X)
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted . )

- 9.1

Are the senior officers (principal executive officer , principal financial officer , principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics , which includes the following standards?  
(a) Honest and ethical conduct , including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full , fair , accurate , timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws , rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes (X) No ( )
- 9.11

If the response to 9.1 is No , please explain:  
  
.....  
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes ( ) No (X)
- 9.21

If the response to 9.2 is Yes , provide information related to amendment (s) .  
  
.....  
.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes ( ) No (X)
- 9.31

If the response to 9.3 is Yes , provide the nature of any waiver (s) .  
  
.....  
.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent , subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ( )
- 10.2

If yes , indicate the amounts receivable from parent included in the Page 2 amount:

\$ ..... 340,604

INVESTMENT

- 11.1

Has there been any change in the reporting entity's own preferred or common stock?

Yes ( ) No (X)
- 11.2

If yes , explain  
  
.....  
.....
- 12.1

Were any of the stocks , bonds , or other assets of the reporting entity loaned , placed under option agreement , or otherwise made available for use by another person?  
(Exclude securities under securities lending agreements . )

Yes ( ) No (X)
- 12.2

If yes , give full and complete information relating thereto:  
  
.....  
.....
13.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$ .....
14.

Amount of real estate and mortgages held in short-term investments:

\$ .....
- 15.1

Does the reporting entity have any investments in parent , subsidiaries and affiliates?

Yes (X) No ( )
- 15.2

If yes , please complete the following:
- |  | 1<br>Prior Year-End Book/<br>Adjusted Carrying Value | 2<br>Current Quarter Book/<br>Adjusted Carrying Value |
|--|--|---|
| 15.21 Bonds .....  | \$ .....   | \$ .....  |
| 15.22 Preferred Stock .....  | \$ .....   | \$ .....  |
| 15.23 Common Stock .....   | \$ .....   | \$ .....  |
| 15.24 Short-Term Investments .....   | \$ .....   | \$ .....  |
| 15.25 Mortgage Loans on Real Estate .....  | \$ .....   | \$ .....  |
| 15.26 All Other .....  | \$ ..... 1,190,477                                   | \$ ..... 1,203,830                                    |
| 15.27 Total Investment in Parent , Subsidiaries and Affiliates (Subtotal Line 15.21 to Line 15.26) ..... | \$ ..... 1,190,477                                   | \$ ..... 1,203,830                                    |
| 15.28 Total Investment in Parent included in Line 15.21 to Line 15.26 above .....                        | \$ .....   | \$ .....  |
- 16.1

Has the reporting entity entered into any hedging transactions reported on schedule DB?

Yes ( ) No (X)
- 16.2

If yes , has a comprehensive description of the hedging program been made available to the domiciliary state?  
  
If no , attach a description with this statement.

Yes ( ) No ( )

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted . )

17. Excluding items in Schedule E , real estate , mortgage loans and investments held physically in the reporting entity's offices , vaults or safety deposit boxes , were all stocks , bonds and other securities , owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General , Section IV .J-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook , complete the following:

1 Name of Custodian (s)	2 Custodian Address
Comerica Bank .....	Detroit, Michigan .....
.....	.....
.....	.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook , provide the name , location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....
.....	.....	.....

17.3 Have there been any changes , including name changes , in the custodian (s) identified in 16.1 during the current quarter? Yes ( ) No (X)

17.4 If yes , give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

17.5 Identify all investment advisors , brokers /dealers or individuals acting on behalf of brokers /dealers that have access to the investment accounts , handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name (s)	3 Address
Munder Capital .....	Mike Krushens .....	480 Pierce, Birmingham, MI .....
.....	.....	.....
.....	.....	.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ( )

18.2 If no , list exceptions:

.....  
.....



GENERAL INTERROGATORIES - Line 4.2 (Continued)

<div>1</div> <div>Name of Entity</div>	<div>2</div> <div>NAIC Company Code</div>	<div>3</div> <div>State of Domicile</div>
--	---	---

Entities that have ceased to exist as a result of the merger or consolidation.

4.2 - Entities that have ceased to exist as a result of the merger or consolidation.

GENERAL INTERROGATORIES - Line 8.4 (Continued)

<div>1</div> <div>Affiliate Name</div>	<div>2</div> <div>Location (City, State)</div>	<div>3</div> <div>FRB</div>	<div>4</div> <div>OCC</div>	<div>5</div> <div>OTS</div>	<div>6</div> <div>FDIC</div>	<div>7</div> <div>SEC</div>
--	--	-----------------------------	-----------------------------	-----------------------------	------------------------------	-----------------------------

Names and location of any affiliates regulated by a federal regulatory services agency.

8.4 - Names and location of any affiliates regulated by a federal regulatory services agency.

GENERAL INTERROGATORIES - Line 17.1 (continued)

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian Address</div>
--	---

17.1 - Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook

GENERAL INTERROGATORIES - Line 17.2 (continued)

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>3</div> <div>Complete Explanation(s)</div>
---------------------------------	-------------------------------------	---

17.2 - Agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook

GENERAL INTERROGATORIES - Line 17.4 (continued)

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
---------------------------------------	---------------------------------------	--	--------------------------------

17.4 - Changes, including name changes, in the custodian(s) identified in 17.1 during current quarter

GENERAL INTERROGATORIES - Line 17.5 (continued)

<div>1</div> <div>Central Registration Depository</div>	<div>2</div> <div>Name(s)</div>	<div>3</div> <div>Address</div>
---	---------------------------------	---------------------------------

Investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments

Munder Capital Mike Krushena 480 Pierce, Birmingham, MI

17.5 - Investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improv		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange		
7. Amount received on sales		
8. Book/adjusted carrying value at end of cur		
9. Total valuation allowance		
10. Subtotal (Line 8 plus Line 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after a		
3. Accrual of discount and mortgage interest		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during t		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange		
9. Book value/recorded investment excluding		
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	1,190,478	1,190,478
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	13,352	
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period	1,203,830	1,190,478
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)	1,203,830	1,190,478
12. Total nonadmitted amounts	692,567	692,567
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)	511,263	497,911

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	6,542,136	8,174,243
2. Cost of bonds and stocks acquired		1,272,581
3. Accrual of discount	2,548	15,130
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		(31,105)
7. Consideration for bonds and stocks disposed of	679,571	2,842,996
8. Amortization of premium	9,229	45,717
9. Book/adjusted carrying value, current period	5,855,884	6,542,136
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)	5,855,884	6,542,136
12. Total nonadmitted amounts		
13. Statement value	5,855,884	6,542,136

SCHEDULE D - PART 1B

Showing the Acquisitions , Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	17,075,198	887,482	679,571	(6,681)	17,276,428			17,075,198
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	17,075,198	887,482	679,571	(6,681)	17,276,428			17,075,198
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....								
15. Total Bonds and Preferred Stock.....	17,075,198	887,482	679,571	(6,681)	17,276,428			17,075,198

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals .....	.....11,892,771	X X X	.....11,892,771	..... 132,538	.....

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year .....	.....10,533,063	..... 8,223,023
2. Cost of short-term investments acquired .....	.....1,359,708	..... 2,350,413
3. Increase (decrease) by adjustment .....	.....	.....
4. Increase (decrease) by foreign exchange adjustment .....	.....	.....
5. Total profit (loss) on disposal of short-term investments .....	.....	.....
6. Consideration received on disposal of short-term investments .....	.....	..... 40,373
7. Book / adjusted carrying value, current period .....	.....11,892,771	.....10,533,063
8. Total valuation allowance .....	.....	.....
9. Subtotal (Line 7 plus Line 8) .....	.....11,892,771	.....10,533,063
10. Total nonadmitted amounts .....	.....	.....
11. Statement value (Line 9 minus Line 10) .....	.....11,892,771	.....10,533,063
12. Income collected during period .....	..... 132,538	..... 433,266
13. Income earned during period .....	..... 132,538	..... 433,089

**Page 15**

Schedule DB , Pt. F , Section 1 , Replicated (Synthetic) Assets Open  
**NONE**

**Page 16**

Sch. DB, Pt. F, Sn. 2, Reconciliation Replicated (Syn.) Assets  
**NONE**

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4  Name of Reinsurer	5  Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
0199998 - Life and Annuity - Affiliates .....						
0299998 - Life and Annuity - Non-Affiliates .....						
0399998 - Accident and Health - Affiliates .....						
Accident and Health - Non-Affiliates						
39845 .....	48-0921045 .....		Employers Reinsurance Corporation .....	Overland Park, KS .....		Yes .....
0499998 - Accident and Health - Non-Affiliates .....						
0599998 - Property/Casualty - Affiliates .....						
0699998 - Property/Casualty - Non-Affiliates .....						

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

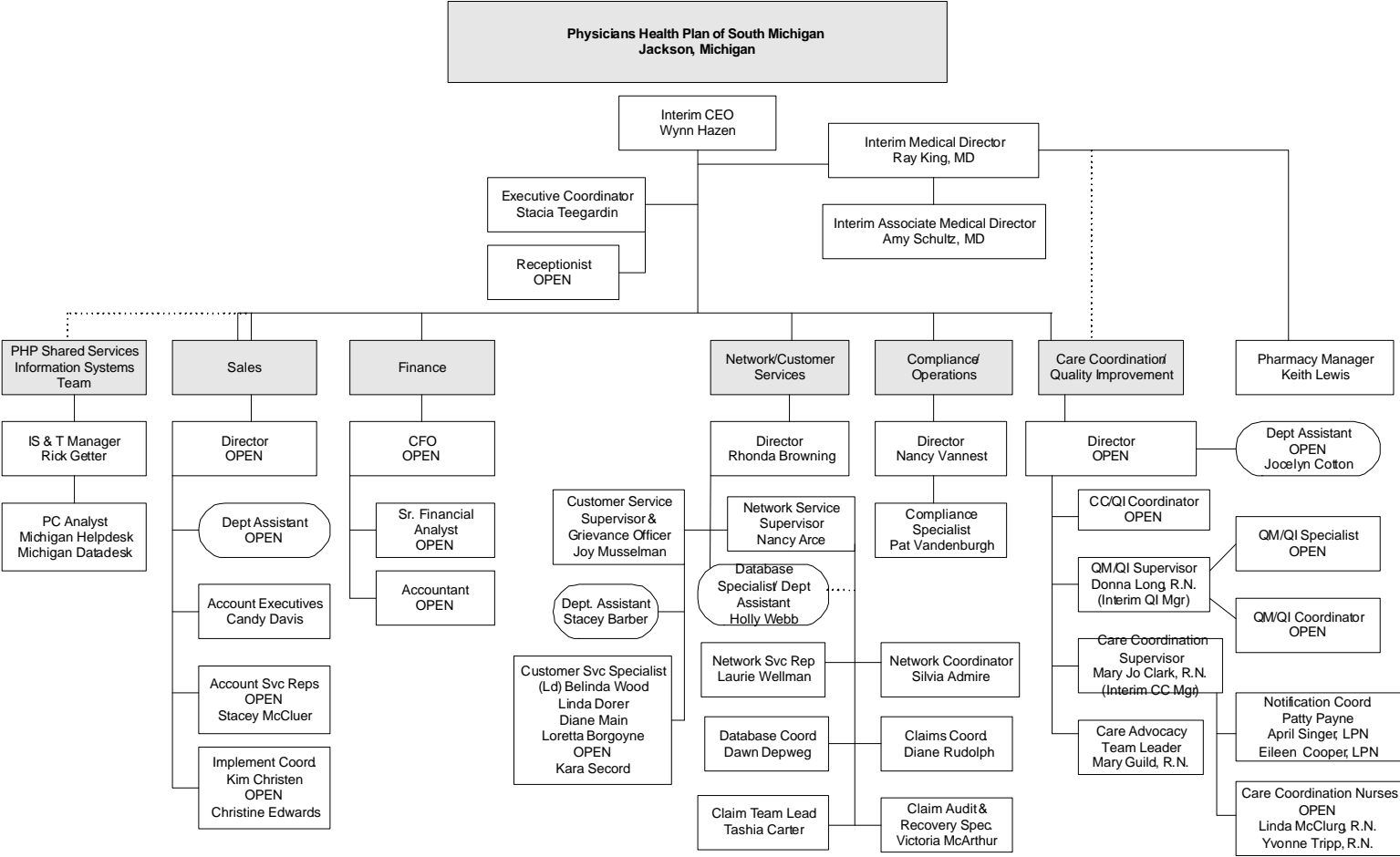
Current Year to Date - Allocated by States and Territories

			1	Direct Business Only Year to Date							
				2	3	4	5	6	7	8	9
States, Etc.			Is Insurer Licensed ? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Column 2 Through Column 7	Deposit-Type Contracts
1.	Alabama	AL	No								
2.	Alaska	AK	No								
3.	Arizona	AZ	No								
4.	Arkansas	AR	No								
5.	California	CA	No								
6.	Colorado	CO	No								
7.	Connecticut	CT	No								
8.	Delaware	DE	No								
9.	District of Columbia	DC	No								
10.	Florida	FL	No								
11.	Georgia	GA	No								
12.	Hawaii	HI	No								
13.	Idaho	ID	No								
14.	Illinois	IL	No								
15.	Indiana	IN	No								
16.	Iowa	IA	No								
17.	Kansas	KS	No								
18.	Kentucky	KY	No								
19.	Louisiana	LA	No								
20.	Maine	ME	No								
21.	Maryland	MD	No								
22.	Massachusetts	MA	No								
23.	Michigan	MI	Yes	17,825,177						17,825,177	
24.	Minnesota	MN	No								
25.	Mississippi	MS	No								
26.	Missouri	MO	No								
27.	Montana	MT	No								
28.	Nebraska	NE	No								
29.	Nevada	NV	No								
30.	New Hampshire	NH	No								
31.	New Jersey	NJ	No								
32.	New Mexico	NM	No								
33.	New York	NY	No								
34.	North Carolina	NC	No								
35.	North Dakota	ND	No								
36.	Ohio	OH	No								
37.	Oklahoma	OK	No								
38.	Oregon	OR	No								
39.	Pennsylvania	PA	No								
40.	Rhode Island	RI	No								
41.	South Carolina	SC	No								
42.	South Dakota	SD	No								
43.	Tennessee	TN	No								
44.	Texas	TX	No								
45.	Utah	UT	No								
46.	Vermont	VT	No								
47.	Virginia	VA	No								
48.	Washington	WA	No								
49.	West Virginia	WV	No								
50.	Wisconsin	WI	No								
51.	Wyoming	WY	No								
52.	American Samoa	AS	No								
53.	Guam	GU	No								
54.	Puerto Rico	PR	No								
55.	U. S. Virgin Islands	VI	No								
56.	Northern Mariana Islands	MP	No								
57.	Canada	CN	No								
58.	Aggregate Other Alien	OT	X X X								
59.	Subtotal		X X X	17,825,177						17,825,177	
60.	Reporting entity contributions for Employee Benefit Plans		X X X								
61.	Total (Direct Business)	(a)	1	17,825,177						17,825,177	
DETAILS OF WRITE-INS											
5801.											
5802.											
5803.											
5898. Summary of remaining write-ins for Line 58 from overflow page											
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)											

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART





SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing . However , in the event that your company does not transact the type of business for which the special report must be filed , your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATIONS and provide an explanation following the interrogatory questions .

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

EXPLANATIONS:

PHP does not offer Medicare Part D

BAR CODE:

Document Identifier 365:



**Page E01**

Sch. A, Pt. 2, Real Estate Acquired  
**NONE**

Sch. A, Pt. 3, Real Estate Sold  
**NONE**

**Page E02**

Schedule B, Part 1, Mortgage Loans Acquired  
**NONE**

Schedule B, Part 2, Mortgage Loans Sold  
**NONE**

**Page E03**

Sch. BA, Pt. 1, Other Long-Term Invested Assets Acquired  
**NONE**

Sch. BA, Pt. 2, Other Long-Term Invested Assets Sold  
**NONE**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
0399999 - Subtotal - Bonds - U.S. Governments									

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold , Redeemed or Otherwise Disposed of  
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book / Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B. /A. C. V. (11+12-13)	Total Foreign Exchange Change in B. /A. C. V.	Book / Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Maturity Date	NAIC Designa- tion or Market Indi- cator (a)
Bonds - U. S. Governments																					
3133XA-GY-7	FEDERAL HOME LOAN BKS .....		02/23/2007	MATURITY .....		150,000	150,000.00	148,222	149,811		189		189		150,000				2,531	02/23/2007	I
31359M-XC-2	FEDERAL NATIONAL MTG ASSN .....		01/12/2007	MATURITY .....		175,000	175,000.00	174,122	174,982		18		18		175,000				3,106	01/12/2007	I
0399999	- Subtotal - Bonds - U. S. Governments .....					325,000	325,000.00	322,344	324,793		207		207		325,000				5,637		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
36962G-XY-5	GENERAL ELEC CAP CORP MTN BE .....		03/15/2007	MATURITY .....		150,000	150,000.00	158,106	150,723		(723)		(723)		150,000				4,031	03/15/2007	IFE
89233P-MW-3	TOYOTA MOTOR CREDIT CORP MTN .....		01/15/2007	MATURITY .....		150,000	150,000.00	161,334	150,110		(110)		(110)		150,000				4,238	01/15/2007	IFE
92926Y-AD-5	WFS FINANCIAL OWNER TR 2003-1 .....		01/20/2007	PRINCIPAL RECEIPT .....		54,571	54,571.00	54,014	54,549		21		21		54,571				125	09/20/2010	IFE
4599999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) .....					354,571	354,571.00	373,454	355,382		(812)		(812)		354,571				8,394		
6099997	- Subtotal - Bonds - Part 4 .....					679,571	679,571.00	695,798	680,175		(605)		(605)		679,571				14,031		
6099999	- Subtotal - Bonds .....					679,571	679,571.00	695,798	680,175		(605)		(605)		679,571				14,031		
7499999	- TOTALS .....					679,571		695,798	680,175		(605)		(605)		679,571				14,031		

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues .....

**Page E06**

Schedule DB, Part A, Section 1  
**NONE**

Schedule DB, Part B, Section 1  
**NONE**

**Page E07**

Schedule DB, Part C, Section 1  
**NONE**

Schedule DB, Part D, Section 1  
**NONE**

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information					First Month	Second Month	Third Month	
Open Depositories									
JP Morgan Chase	Detroit, MI					3,692,628	(1,389,040)	(968,371)	
Comerica	Detroit, MI					7,261,760	7,416,686	9,479,336	
0199999 - TOTAL - Open Depositories						10,954,388	6,027,646	8,510,965	
0399999 - TOTAL Cash on Deposit						10,954,388	6,027,646	8,510,965	
0599999 - TOTALS						10,954,388	6,027,646	8,510,965	

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due and Accrued	Gross Investment Income
Cash Equivalents							
Comerica Munder Fixed Capital.....					430,880		
0199999 - TOTAL Cash Equivalents.....					430,880		